

Notice No.: 92-010

Date: June 4, 1992

Applies to: All Employers

Subject: Summary of 1992 retirement-related legislation

This Notice contains brief summaries of bills enacted in the 1992 Legislative Session that affect the retirement systems' members and employers. These summaries are intended to identify the issues and indicate areas of change, rather than to provide you with details about the bills or instruct you in their implementation. Where more detailed information and instructions are necessary to help you comply with the new laws, that information will be provided in the coming months.

HB 2261, Chapter 6, Laws of 1992

- Addresses the firefighter pension system created under RCW 41.18, which was in existence prior to the creation of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System.
- Allows retirees from this system to sit on the system's disability boards.

EHB 2813, Chapter 199, Laws of 1992

- Permits counties, municipalities, and other political subdivisions to apply for Health Care Authority coverage for their LEOFF members.
- u For additional information about this legislation, contact the Health Care Authority.

SHB 2857, Chapter 152, Laws of 1992

- Requires school districts' insurers to allow retiring members to continue their group coverage on a self-paying basis until June 30, 1994.
- Directs the Health Care Authority to study group health insurance coverage for retired school district employees and to make recommendations. This study is contingent on funding.
- u For additional information about this legislation, contact the Health Care Authority.

ESHB 2947, Chapter 234, Laws of 1992

- Provides for early retirement for PERS Plan 1 and TRS Plan 1 members who meet

specific criteria.

- u DRS Notice 92-006 provides detailed information about this legislation.

ESHB 2985, Chapter 157, Laws of 1992

- Allows LEOFF Plan 1 members to establish additional service credit by paying contributions withdrawn from prior pension systems. Payment must be made into LEOFF by June 30, 1993.
- Allows LEOFF Plan 1 members to establish probationary service credit in pension systems they were covered under prior to the establishment of LEOFF, if the restoration is made by June 30, 1993.
- Requires the member to pay both member and employer contributions plus interest.

ESSB 5092, Chapter 119, Laws of 1992

- Allows LEOFF Plan 2, TRS Plan 2, and PERS Plan 2 members to receive service credit when they have left employment to enter active military service.
- Requires the member to pay the member contributions within five years of returning to employment; requires employers to pay the employer contributions once member contributions are paid.
- Covers those entering military service on or after January 1, 1990.

SB 5510, Chapter 195, Laws of 1992

- Beginning January 1, 1994, allows any eligible restoration of PERS withdrawn contributions to be made in annual installments.
- u Information for members will be forthcoming in the *DRS Bulletin*.

SSB 6186, Chapter 3, Laws of 1992

- Allows service credit for TRS members for school years up to and including the 1991-92 school year if the member took authorized leave to serve as an elected official of an employee association and if all contributions have previously been paid or are paid by January 1, 1993.
- Prospectively allows a TRS Plan 1 member to earn a maximum of four years of service credit for authorized leaves to serve as an elected official of an employee association, if the member pays all required member and employer contributions.
- u DRS Notice 92-009 was mailed to school districts, community colleges, and technical colleges, and provides detailed information about this legislation.

SB 6276, Chapter 76, Laws of 1992

- Allows district court judges to cash out unused leave, including sick leave, not to exceed the equivalent of thirty days of monetary compensation.
- u Judges who are members of PERS Plan 1 would have this leave reported to the retirement system under the ordinary rules for PERS leave cashouts. Although the legislation allows sick leave and other leave to be combined into one cashout, different types of leave must be separately identified when reported on the transmittal. See your *Monthly Transmittal Reporting Handbook* for details on how to report.

ESSB 6286, Chapter 239, Laws of 1992

- Reduces the employer contribution rates effective September 1, 1992, for the remainder of the 1991–93 biennium. Rates will change again on July 1, 1993.
- u A DRS Notice will be mailed in July detailing the new contribution rates effective September 1, 1992.

Questions?

If you have questions regarding this legislation, you may contact Paul Neal of the DRS Legislative/Legal Affairs Unit at (206) 586-3368, SCAN 321-3368.

George Northcroft
Director